

Effective June 9, 2017.

---

**USE OF MUNICIPAL HOTEL OCCUPANCY TAX REVENUE IN  
CERTAIN MUNICIPALITIES**

**CHAPTER 453**

S.B. No. 942

**AN ACT**

**relating to the use of municipal hotel occupancy tax revenue in certain municipalities.**

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Section 351.101, Tax Code, is amended by adding Subsection (n) to read as follows:

*(n) In addition to other authorized uses, a municipality that has a population of not more than 1,500 and is located in a county that borders Arkansas and Louisiana may use revenue from the municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of an existing sports facility or field as specified by Subsection (a)(7), provided that the requirements of Subsections (a)(7)(A) and (C) and Section 351.1076 are met.*

SECTION 2. Section 351.1076(a), Tax Code, is amended to read as follows:

(a) A municipality that spends municipal hotel occupancy tax revenue for the enhancement and upgrading of existing sports facilities or fields as authorized by Section 351.101(a)(7) or (n):

(1) shall determine the amount of municipal hotel occupancy tax revenue generated for the municipality by hotel activity attributable to the sports events and tournaments held on the enhanced or upgraded facilities or fields for five years after the date the enhancements and upgrades are completed; and

(2) may not spend hotel occupancy tax revenue for the enhancement and upgrading of the facilities or fields in a total amount that exceeds the amount of area hotel revenue attributable to the enhancements and upgrades.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

Passed the Senate on April 19, 2017: Yeas 27, Nays 4; passed the House on May 24, 2017: Yeas 134, Nays 12, two present not voting.

Filed without signature June 9, 2017.

Effective June 9, 2017.

---

**DISSOLUTION OF THE FALLS COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 1**

**CHAPTER 454**

S.B. No. 976

**AN ACT**

**relating to the dissolution of the Falls County Water Control and Improvement District No. 1.**

*Be it enacted by the Legislature of the State of Texas:*

**SECTION 1. DEFINITIONS.** In this Act:

- (1) "City" means the City of Marlin.
- (2) "District" means the Falls County Water Control and Improvement District No. 1.

**SECTION 2. LEGISLATIVE FINDINGS.** The legislature finds that:

- (1) the citizens of the district approved the creation of the district for the purpose of developing a flood control program;
- (2) the district entered into an agreement with the city and other parties to acquire the property rights necessary for the construction of three flood retention structures that are related to the Brushy Creek reservoir and the district acquired those property rights;
- (3) the district and the city expended public funds towards the completion of the project in accordance with the terms of the agreement between the parties, including approximately \$3.5 million spent by the city on the project as of the effective date of this Act;
- (4) the city is relying on the Brushy Creek reservoir and the related flood control structures to meet future water supply needs;
- (5) the board of the district voted to dissolve the district and the citizens of the district confirmed the intent to dissolve the district at an election, and the law is unclear on the disposition of the district's assets in the event of dissolution;
- (6) the district's primary assets are the easements acquired under the terms of the agreement with revenue from taxation and those easements are essential to the completion of the Brushy Creek reservoir project by the city;
- (7) the Brushy Creek reservoir is included in the 2017 state water plan as a regional water supply source and should be completed;
- (8) the territory of the district will benefit by the completion of the reservoir; and
- (9) in the interest of public health and welfare, to help ensure an adequate water supply for present and future needs, to fulfill the will of the citizens of the district to dissolve the district and end the collection of ad valorem taxes, and to secure the investment of public funds already incurred for the project, all assets and obligations of the district should be transferred to the city and the district dissolved.

**SECTION 3. DISSOLUTION OF DISTRICT AND TRANSFER OF ASSETS AND OBLIGATIONS.** (a) On the effective date of this Act, the district is dissolved and has no legal authority to take any action, and the transfer of the assets and obligations of the district to the city is authorized. The city bears the responsibility of:

- (1) transferring the title of the assets of the district to the city; and
- (2) assuming the obligations of the district.

(b) The county clerk of Falls County, the commissioners court of Falls County, and any district court with jurisdiction over a matter related to the provisions of this Act shall take notice of this Act as an authorization to transfer the title of the assets to the city and assume the obligations of the district on application or petition by the city.

**SECTION 4. NOTICE.** (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

**SECTION 5. EFFECTIVE DATE.** This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

Passed the Senate on April 19, 2017: Yeas 31, Nays 0; passed the House on May 19, 2017: Yeas 141, Nays 3, two present not voting.

Filed without signature June 9, 2017.

Effective June 9, 2017.

---

**CREATION OF THE BLAKETREE MUNICIPAL UTILITY  
DISTRICT NO. 2 OF MONTGOMERY COUNTY; GRANTING A  
LIMITED POWER OF EMINENT DOMAIN; PROVIDING  
AUTHORITY TO ISSUE BONDS; PROVIDING AUTHORITY TO  
IMPOSE ASSESSMENTS, FEES, AND TAXES**

**CHAPTER 455**

S.B. No. 1118

**AN ACT**

**relating to the creation of the Blaketree Municipal Utility District No. 2 of  
Montgomery County; granting a limited power of eminent domain; providing author-  
ity to issue bonds; providing authority to impose assessments, fees, and taxes.**

*Be it enacted by the Legislature of the State of Texas:*

**SECTION 1.** Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 7972 to read as follows:

**CHAPTER 7972. BLAKETREE MUNICIPAL UTILITY DISTRICT NO. 2 OF  
MONTGOMERY COUNTY**

**SUBCHAPTER A. GENERAL PROVISIONS**

**Sec. 7972.001. DEFINITIONS.** *In this chapter:*

- (1) "Board" means the district's board of directors.
- (2) "Commission" means the Texas Commission on Environmental Quality.
- (3) "Director" means a board member.
- (4) "District" means the Blaketree Municipal Utility District No. 2 of Montgomery County.

**Sec. 7972.002. NATURE OF DISTRICT.** *The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.*

**Sec. 7972.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.** *The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.*

**Sec. 7972.004. CONSENT OF MUNICIPALITY REQUIRED.** *The temporary directors may not hold an election under Section 7972.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.*

**Sec. 7972.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.** (a) *The district is created to serve a public purpose and benefit.*